



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

**BOARD OF SUPERVISORS**

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First District

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March 20, 2003

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize acceptance of the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

- (1) Account Number - 3882915, in the amount of \$ 4,475
- (2) Account Number - 4438115, in the amount of \$ 14,796
- (3) Account Number - 7831698, in the amount of \$ 2,369
- (4) Account Numbers- 5877815, 5984952, 6082343,  
6189766, & 6305831, in the amount of \$ 25,000
- (5) Account Number - 5778995, in the amount of \$ 2,600
- (6) Account Number - 4766434, in the amount of \$300,000
- (7) Account Number - 5815439, in the amount of \$701,883

**PURPOSE OF THE RECOMMENDED ACTION:**

The compromise offers of settlement for patient accounts (1)-(5) are recommended because the patients, estates, or legally responsible relatives are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in each case. The compromise offers of settlement for patient accounts (6)-(7) are recommended because the amount is the maximum allowable by the patients' insurance (Commercial or HMO) for the services rendered, and receipt of such insurance proceeds prevent further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

**JUSTIFICATION:**

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

**FISCAL IMPACT:**

This will expedite the County's recovery of partial payments totaling approximately \$1.1 million, from the five patients' proceeds due from a third-party liability settlements, and the two patients' insurance (Commercial or HMO) companies, for the medical care provided.

**FINANCING:**

Not applicable.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is recommending Board approval of these compromises.

**CONTRACTING PROCESS:**

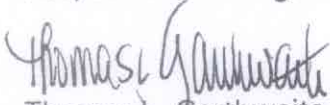
Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

Maximizing net revenues on these accounts will help DHS to meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:lg (R:\LMARTINEZ\Compromise Brd LtrMar03\Compromise031103B.WPD)

Attachments

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: March 20, 2003

<b>Total Charges</b>	\$42,304	<b>Account Number</b>	3882915
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$42,304	<b>Date of Service</b>	02/23/01-03/03/01
<b>Compromise Amount Offered</b>	\$ 4,475	<b>Facility</b>	Martin Luther King, Jr./Drew Medical Center (MLK/D)
<b>Amount to be Written Off</b>	\$37,829		

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at MLK/D and incurred total charges of \$42,304 for medical services rendered.

The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Attorney fees</b>	\$ 5,000	\$ 5,000	33%
<b>Atty's Itemized Cost</b>	\$ 2,000	\$ 2,000	13%
<b>MLK/D</b>	\$42,304	\$ 4,475	30%
<b>Other MLK/D Accounts <sup>(1)</sup></b>	\$ 7,250	\$ 525	4%
<b>Net to Patient</b>		\$3,000	20%
<b>Total</b>	\$56,554	\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to MLK/D.

<sup>(1)</sup> Account compromises are within DHS' authority and do not require Board approval.



## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: March 20, 2003

<b>Total Charges</b>	\$46,008	<b>Account Number</b>	4438115
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$46,008	<b>Date of Service</b>	01/29/02-02/04/02
<b>Compromise Amount Offered</b>	\$14,796	<b>Facility</b>	Martin Luther King, Jr./Drew Medical Center (MLK/D)
<b>Amount to be Written Off</b>	\$31,212		

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at MLK/D and incurred total charges of \$46,008 for medical services rendered.

The patient's third-party claim has been settled for \$50,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Attorney fees</b>	\$16,666	\$12,500	25%
<b>MLK/D</b>	\$46,008	\$14,796	30%
<b>Other Lien Holders</b>	\$ 5,811	\$ 1,869	4%
<b>Net to Patient</b>		\$20,835	41%
<b>Total</b>	\$68,485	\$50,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to MLK/D.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: March 20, 2003

<b>Total Charges</b>	\$54,738	<b>Account Number</b>	7831698
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$54,738	<b>Date of Service</b>	05/14/02-05/23/02
<b>Compromise Amount Offered</b>	\$2,369	<b>Facility</b>	LAC+USC Medical Center (LAC+USC)
<b>Amount to be Written Off</b>	\$52,369		

## JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC and incurred total charges of \$54,738 for medical services rendered.

The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Attorney fees</b>	\$5,000	\$4,099	27%
<b>Atty's Itemized Cost</b>	\$901	\$901	6%
<b>MLK/D</b>	\$54,738	\$2,369	16%
<b>Other Lien Holders</b>	\$4,043	\$3,644	24%
<b>Net to Patient</b>		\$3,987	27%
<b>Total</b>	\$64,682	\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: March 20, 2003

<b>Total Charges</b>	\$130,133	<b>Account Number</b>	5877815/5984952/6082343/ 6189766/6305831
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$130,133	<b>Date of Service</b>	08/04/00-08/27/00, 09/11/00, 09/25/00, 10/17/00, 10/30/00, 11/27/00, & 01/08/01
<b>Compromise Amount Offered</b>	\$25,000	<b>Facility</b>	LAC+USC Medical Center (LAC+USC)
<b>Amount to be Written Off</b>	\$105,133		

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC and incurred total charges of \$130,133 for medical services rendered.

The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
Attorney fees	\$40,000	\$40,000	40%
Atty's Itemized Cost	\$7,000	\$7,000	7%
MLK/D	\$130,133	\$25,000	25%
Other Lien Holders	\$0	\$0	0%
Net to Patient		\$28,000	28%
<b>Total</b>	<b>\$177,133</b>	<b>\$100,000</b>	<b>100%</b>

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5  
DATE: March 20, 2003

<b>Total Charges</b>	\$52,880	<b>Account Number</b>	5778995
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$52,880	<b>Date of Service</b>	07/05/00-07/15/00
<b>Compromise Amount Offered</b>	\$2,600	<b>Facility</b>	LAC+USC Medical Center (LAC+USC)
<b>Amount to be Written Off</b>	\$50,280		

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC and incurred total charges of \$52,880 for medical services rendered.

The patient's third-party claim has been settled for \$7,800 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Attorney fees</b>	\$2,300	\$2,300	29 <sup>1/3</sup> %
<b>Atty's Itemized Cost</b>	\$300	\$300	4%
<b>MLK/D</b>	\$52,880	\$2,600	33 <sup>1/3</sup> %
<b>Other Lien Holders</b>	\$0	\$0	0%
<b>Net to Patient</b>		\$2,600	33 <sup>1/3</sup> %
<b>Total</b>	\$55,480	\$7,800	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC.



## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6  
DATE: March 20, 2003

<b>Total Charges</b>	\$482,065	<b>Account Number</b>	4766434
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$482,065	<b>Date of Service</b>	06/13/02-07/16/02
<b>Compromise Amount Offered</b>	\$300,000	<b>% Of Settlement</b>	62% of Gross Charges
<b>Amount to be Written Off</b>	\$182,065	<b>Facility</b>	Harbor/UCLA Medical Center

## JUSTIFICATION

The above compromise offer of settlement is the maximum allowable by the patient's insurance (Commercial or HMO) for the services rendered to this patient.



## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7  
DATE: March 20, 2003

<b>Total Charges</b>	\$961,483	<b>Account Number</b>	5815439
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$961,483	<b>Date of Service</b>	09/13/02-10/28/02
<b>Compromise Amount Offered</b>	\$701,883	<b>% Of Settlement</b>	73% of Gross Charges
<b>Amount to be Written Off</b>	\$259,600	<b>Facility</b>	LAC+USC Medical Center

## JUSTIFICATION

The above compromise offer of settlement is the maximum allowable by the patient's insurance (Commercial or HMO) for the services rendered to this patient.